Emergency Unemployment Compensation & Extended Benefits

There are two possible options for paying additional unemployment benefits during periods of high unemployment: Emergency Unemployment Compensation (EUC) and extended benefits.

Emergency Unemployment Compensation

Emergency Unemployment Compensation (EUC) provides additional weeks of benefits to people who have used all of their regular unemployment benefits. The program must be authorized by Congress and is 100 percent federally funded. The benefits do not affect employers’ experience rating or benefit charges, nor does Employment Security bill reimbursable employers (e.g., government agencies, tribes and some non-profits).

During the Great Recession, Congress activated EUC in July 2008, providing up to 13 extra weeks of unemployment benefits in all 50 states. Over the next few years, Congress revised and expanded the program to four “tiers” with a maximum of 53 weeks, then in 2012 shrank the maximum available to 43 weeks. In January 2013, Congress and the President authorized EUC to continue through Dec. 28, 2013. The program has not been extended again.

EUC “triggers”

For most of 2012 and all of 2013, all states qualified for EUC tier 1, which paid up to 14 weeks of benefits. States qualified for tiers 2-4 based on their three-month average unemployment rates. The number of additional weeks of benefits paid depends on which EUC tier is triggered at the time a person begins receiving EUC:

- EUC tier 2 ~ three-month average rate between 6 percent and 7; paid up to 14 weeks.
- EUC tier 3 ~ 7 percent to 9 percent; paid up to 9 weeks.
- EUC tier 4 ~ 9 percent or higher; paid up to 10 weeks. (Washington shut off April 2012)

Extended benefits are paid after all regular benefits and Emergency Unemployment Compensation are paid out.

Due to a declining unemployment rate, Washington phased out tier 4 in April 2012 and began phasing out tier 3 in August 2013. However, a rising unemployment rate caused tier 3 to reactivate on Dec. 8, 2013, three weeks before the entire program was shut off.
Extended benefits
Extended benefits are paid after all regular benefits and Emergency Unemployment Compensation are paid out. Normally, the benefits are paid 50/50 by the federal government and the state’s unemployment trust fund, but during the Great Recession, the federal government paid the entire cost because many states’ trust funds were bankrupt. People receiving extended benefits are required to look for work more rigorously and must accept any job that pays at least as much as their weekly benefits (or minimum wage, if higher).

Under state law, up to 13 weeks of extended benefits are payable starting the third week after either of these unemployment-rate “triggers” is met:

- **Option 1: “total unemployment rate.”** If the seasonally adjusted unemployment rate averages at least 6.5 percent over three months and is at least 10 percent higher than the same three-month period three years ago; or

- **Option 2: “average insured-unemployment rate.”** For the current and preceding 12 weeks, if at least 5 percent of insured workers are receiving unemployment benefits and that rate is at least 20 percent higher than the 13-week average for the same period in each of the past three years.

In early 2009, Washington qualified under Option 1; benefit payouts began Feb. 15, 2009. In May 2009, after the state’s three-month average unemployment rate reached 8 percent, claimants could receive up to seven additional weeks of extended benefits, totaling 20 weeks. The program shut off in April 2012, when the state’s unemployment rate no longer met the criteria.